

Governor’s Advisory Task Force on Recreational Marijuana:

Met Monday @ 11:00am

January 23rd, 2023

Members: Leif Abel, Rob Carter, Brandon Emmett, Gary Evans, Brian Fechter, Sam Hachey, Frank “Dru” Malone, Nick Miller, Aaron Stiasny, Ryan Tunseth, Jana Weltzin, Joan Wilson

Absent: David Pruhs

Support: Maya Ali & Bailey Stuart

Agenda Items	Discussion	Decision(s) / Conclusions
<p>Approval agenda for January 12th, 2023</p> <p>Approval of December 27th, 2022 revised meeting minutes.</p> <p>Approval of January 9th, 2023 meeting minutes</p>	<p>Brandon Emmett motions to amend agenda to add discussion on frequency of Task Force moving forward.</p> <p>Sam Hachey seconds motion.</p> <p>Jana Weltzin motions to amends agenda to include discussion of requesting the Governor to appoint a new local government specialist.</p> <p>Sam Hachey seconds motion.</p> <p>Ryan Tunseth motions to add public comment to the agenda</p> <p>Brandon Emmett seconds motion.</p> <p>Jana Weltzin motions to add Department of Revenue (DoR) discussion on new data that was received from METRC.</p> <p>Sam Hachey seconds motion.</p> <p>Task Force members voted unanimously in favor; the motions are approved.</p> <p>Ryan Tunseth motions to approve December 27th, 2023 meeting minutes with requested amendments.</p> <p>Brandon Emmett seconds motion.</p>	<p>January 23rd, 2023 agenda is approved.</p> <p>December 27th, 2022 revised meeting minutes approved.</p> <p>January 9th 2023 meeting minutes approved.</p>

	<p>Task Force members voted unanimously in favor; the motion is approved.</p> <p>Ryan Tunseth motions to approve January 9th, 2023 meeting minutes.</p> <p>Brandon Emmett second motion.</p> <p>Task Force members voted unanimously in favor; the motion is approved.</p> <ul style="list-style-type: none"> • Task Force notified of the creation of a Task Force mailbox for receiving future public comment. Marijuana.Taskforce@alaska.gov <p>*See Zoom transcribe for full discussion.</p>	
<p>Discussion on Advisory Report submitted to the Governor</p>	<ul style="list-style-type: none"> • Task Force chairs have not heard anything from the Governor’s Office • Co-Chairs Brandon Emmett and Jana Weltzin will follow up with the Governor’s office and will report back to the Task Force members. 	<p>Task Force still waiting to hear back from the Governor’s office.</p> <p>Task Force Co-Chairs will reach out to the office this week.</p>
<p>Discussion of future meeting frequency</p>	<ul style="list-style-type: none"> • Brandon Emmett would like to hear back from the Governor’s office to formulate how often the Task Force should meet given the scope of work in the future. The Task Force is established until May 2023. <p>Brandon Emmett motions for bi-weekly meetings in the future on Mondays at 11:00am.</p> <p>Dru Malone seconds motion.</p> <p>Task Force members voted unanimously in favor; the motion is approved.</p>	<p>Task Force will hold bi-weekly meetings held at the same time each week.</p> <p>Next Task Force meeting is scheduled for February 6th, 2023 at 11:00am.</p>

<p>Discussion of requesting the Governor to appoint a new local government specialist</p>	<ul style="list-style-type: none"> • Task Force member Joan Wilson suggests following up with the local government specialist currently appointed by the Governor and seeing if their schedule truly doesn't work and if it does not that they ask the Board & Commissions to appoint a new local government specialist. • Task Force member Sam Hachey will communicate with Mayor Pruhs and see if this appointment and meeting times will work with their schedule. 	
<p>Department of Revenue update with new METRC data received</p>	<ul style="list-style-type: none"> • METRC sent out data to the board on January 13th, 2023 same day the report was due. • Task Force member Joan Wilson informs the Task Force that the individual responsible for gathering the data was in an accident which is part of the reason the data was sent out so late along with the short amount of time METRC had to gather data for this Task Force. Joan Wilson forwarded queries onto the Chairs and Colleen Glover from DoR. METRC asked if the data was sufficient for additional modeling. Joan Wilson informed them that she would inquire with the Task Force. • Colleen reports that the Department of Health data was very similar with the data METRC provided. In turn the DoR didn't feel the need to revise the report sent to the board members because of there were no significant change. • The Division of Agriculture has no method for the collection of data post product endorsement. The requirement isn't set out, the Division of Agriculture does not have any way of knowing the value of those products being sold individually. Rob Carter is looking into this issue. • Revenue reports are showing that 80% of the Industrial Hemp market is direct to consumer. The Task Force would need to address this issue to capture that tax revenue. • The Task Force would like METRC to report on how the hemp METRC endorsement works. • The Task Force discussed the challenge is to develop a solution to capture online commerce revenue because so many are selling direct to consumer. • Colleen Glover with DoR will investigate a privilege tax to capture online sales. Another option would be licensing fees. <p>Brandon Emmett motions to make a recommendation on a tax modeling</p>	<p>The Department of Revenue received METRC data that was requested. After reviewing data sets the DoR determined that the information provided by METRC did not change reports substantially enough from the data sets that were provided by the Department of Health earlier to make any changes.</p> <p>Task Force has the challenge to develop a solution to capture online commerce revenue.</p> <p>Task Force to make a recommendation on a tax modeling percentage for capturing online sales with a mechanism for enforcing said tax.</p>

	<p>percentage for capturing online sales with a mechanism for enforcing said tax.</p> <p>Sam Hachey seconds motion.</p> <ul style="list-style-type: none"> DoR informs the Task Force of a new alcohol tax for direct to consumer sales. This tax goes into effect January 1st, 2024. This could be something to model on the cannabis industry seeing as DoR is preparing for this already. The Task Force is to discuss this further next meeting. <p>Task Force members voted 10-1 in favor; the motion is approved. Y: Leif Abel, Rob Carter, Brandon Emmett, Gary Evans, Brian Fechter, Sam Hachey, Aaron Stiassny, Jana Weltzin, Joan Wilson N: Ryan Tunseth</p>	
<p>Future Recommendations</p>	<p>Dru Malone motions to create subcommittees, one retail, one cultivation, and one manufacturing/processor.</p> <p>Brandon Emmett seconds motion.</p> <ul style="list-style-type: none"> Task Force member Dru Malone feels a subcommittee would talk regulations, could be a tool for the Marijuana Control Board. Task Force member Joan Wilson has been going through Article 7 and would like a subcommittee group. Legal counsel Kevin Higgins informed the Task Force that the Administrative Order allows the Task Force to create subcommittees but only members of this Task Force can be on the subcommittees and the subcommittees still have to abide by the Open Meetings Act. The public can participate but does not have to be recognized. There does need to be public notice. However, nothing is stopping groups of three or less gathering without implication of the Open Meetings Act. The Task Force to discuss subcommittees further once Co-Chairs hear back from the Governors office. <p>Dru Malone tables motion.</p>	<p>Further discussion on subcommittees once the Task Force hears back from the Governor's office.</p>

Public Comment

Lacey Wilcox *“I want to do a shameless plug here, hearing Dru’s concerns and loving Dru to death, that the Industry Association, while it feels like a club sometimes is there for you guys, when you have ideas, when you want to be on committees, when you’ve got comment and you’re wanting us to go fight the man. It’s no really, no different than this Task Force, except it has no expiration date. It is where industry sits. It is where industry talk out these hard things. Everybody is welcome. Sorry you got to pay a couple of bucks to join, but we got to keep the lights on in the zoomsphere. I want participation at our Industry Association, and I know its hard. I know there’s a lot of baggage there. But we do make waves, we make noise, we get things done and that is an outlet for the industry, let’s not forget that folks. Thanks.”*

Dan Ferguson *“I just want to give some comments on the hemp edible situation. What I feel needs to happening, what will happen as soon as we realize what is happening nationals, and how it is going to affect cannabis edibles producers in Alaska. That we really have no choice other that to heavily deregulate cannabis edibles produced in Alaska. Otherwise, these companies are going to suffer horribly. And there’s a couple of things they want to address too. That was brought up in a meeting before... Now are we wanting to regulate edibles and tax them? Or are we looking to ban the competition? Because I see both at play here. One of the suggestions made before was to have a 5mg per serving limit on hemp edibles, which is completely different that cannabis. Obviously it reduces the size. But tell me what it would actually effectively do is eliminate 99% of the existing hemp edibles that are already being manufactured in the United States from every being allowed to be licensed in Alaska, in their current form. Which make it more expensive and prohibitive to have the same products in Alaska...And again, as you already know there is thousands of websites you can go online and order all these products directly to your house. I wanted to thank you group with the aggressive nature that you’re looking to regulate this stuff at, because you’re giving me the incentive with Tankschoice.com to take the website national and actually start drop shipping to all 50 states. As a direct result in preparation to what you may or may not do. I appreciate you working on this and I hope that you’re able to make it a little more comfortable for Alaskan businesses instead of just trying to make it more difficult for everybody to participate. The one thing you can do is you can stop stores and Alaska from selling hemp products or regulate them so badly that they are not able to. You can stop local Alaskan businesses who*

	<i>would want to make manufacture ice cream cakes, pies, whatever you can stop them all from producing stuff with hemp, with regulations. But that won't actually help, that will actually hurt Alaskan businesses. I would recommend that we look at going the other way and allowing this to play out in the hemp industry... But it's happening, the only thing you can really do it stop it from happening in Alaska... Thank you."</i>	
Adjournment	Meeting adjourned at 12:12pm Next meeting is February 6 th , 2023 at 11:00am	Meeting Adjourn at 12:12pm Next Meeting is scheduled for February 6th, 2023 at 11:00am